# Australian governments pour billions more into big business as pandemic spreads

**Mike Head**
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Australia's federal government today announced a $130 billion bailout of the country's corporate giants, on top of two previous pro-business packages worth close to $200 billion. Prime Minister Scott Morrison yesterday said the package would be "bigger than anything you've so far seen."

The lion's share of the bailout, which involves the government subsidising the wages paid by companies by up to $1,500 per fortnight per employee, will go to the largest corporations. This includes the construction, mining, manufacturing and logistics firms that have so far kept workers on the job, often in unsafe conditions, despite the mounting number of COVID-19 infections.

By contrast, a "health support package" announced by the government yesterday amounted to just $1.1 billion, mostly to divert patients into telehealth services. Just $400 million has been allocated for mental health services, domestic violence programs and emergency food relief.

This funding will be inadequate to prevent the already overstretched public health system from being engulfed in coming weeks, as has happened in the United States, Italy and Spain. Today, Australia's officially-confirmed COVID-19 cases surged over 4,000, even though testing is still strictly restricted. It is only nine days since the total reached 1,000.

The stark discrepancy between the "economic" and "health" packages epitomises the response of Australia's bipartisan "national cabinet" of federal, state and territory leaders to the coronavirus crisis, like the Trump administration in the US and other capitalist governments around the world.

Nothing was done to prepare the increasingly under-funded public health systems for the pandemic, despite years of warnings internationally that such events have become inevitable. Even now, governments are failing to implement measures that should have been instituted weeks ago to halt the spread of the virus, above all, mass testing and the isolation and timely treatment of infected people.

Instead, the entire preoccupation of the political establishment has been to shore up the profits and wealth accumulation of the corporate elite and the banks, even as they sack or layoff thousands of workers.

Governments at all levels, after decades of enforcing austerity measures and insisting there was "no money" for adequate public health and other social services, are making virtually unlimited funds available to big business. After years of proclaiming the supposed wonders and invincibility of the capitalist market system, they are rushing to rescue the financial markets via massive state intervention.

As was the case with the bailouts conducted during the 2008–09 global financial breakdown, governments plan to ensure that the vast sums handed to the financial oligarchy will be gouged out of the working class by way of intensified labour exploitation and the further cutting of social programs in the coming period.

The government has responded to the demands of big business for a "wage subsidy" scheme along roughly similar lines to that in the UK and a number of other countries. Although backdated, the scheme will do little or nothing to help the estimated one million workers, contractors and self-employed people already thrown out of work. Instead, the handouts will mostly benefit large companies that have not yet decimated their workforces.

Wage subsidies, no matter how generous, are unlikely to reverse most of the job losses inflicted this month. Over the past week alone, major retail chains have closed stores and laid off an estimated 50,000 workers,

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adding to the jobless toll that has produced Great Depression-like lengthy queues at the government's Centrelink welfare offices.

Under the government's plan, banks will also funnel cash made available by the Reserve Bank of Australia to extend loan repayment deferrals to the largest companies. Australian Banking Association CEO Anna Bligh announced today that 98 percent of businesses now would be covered, and up to $250 billion worth of loans.

Like the Liberal-National government's earlier "stimulus" packages, the latest corporate handout has the full support of the Labor Party and the trade unions. Federal Labor Party leader Anthony Albanese said a wage subsidy was "vital" to minimise the impact on employees and to give businesses certainty.

Australian Council of Trade Unions secretary Sally McManus welcomed the news too, while saying the subsidy should apply to casuals, sole traders and visa workers. Meanwhile, in every industry, the unions are working hand-in-glove with the employers to cut workers' pay and conditions in order to generate profits.

As it has since January, the government is downplaying the COVID-19 danger and the lack of official preparations. Yesterday, Morrison claimed that the national cabinet's "social distancing" measures were starting to "flatten the curve" of the pandemic, despite doctors and health experts warning that it is far too early to make such claims.

Even with a daily growth rate of around 10 percent in the recorded cases, within weeks the demand could outstrip the combined resources of the public and private hospitals, which have just over 2,000 intensive care beds between them. This is the result of decades of funding cuts. Since 1977, despite an ageing population, the number of hospital beds per 1,000 people has halved from 8.1 to 3.9, one-third of which are in for-profit private hospitals.

A study published by the *Medical Journal of Australia* last week warned that, on the basis of a "realistic clinical scenario" consistent with international data, "the impending demand for ICU beds could overwhelm capacity in even the largest Australian hospitals in the near future."

At the same time, the governments are exploiting the crisis to introduce draconian and authoritarian measures to enforce an intensifying quarantining and social distancing regime. While many of the isolation measures may have become necessary, because of the failure of the same governments to take the precautions and steps needed to curb the pandemic in the first place, they are being imposed in the most heavy-handed, police-state manner.

Yesterday, the national cabinet decreed that no more than two people can "gather" or be with each other in public, except for household members, and that police would enforce the rule, backed by heavy fines and/or imprisonment.

As of midnight last Saturday, residents returning from overseas faced airports full of security guards, police and soldiers, who herded them onto busses to be placed in 14-day quarantines in hotel rooms. Army personnel also began knocking on the doors of earlier arrivals to demand to know if they are adhering to "self-isolation" orders.

As with the mobilisation of the military during the summer bushfire catastrophe, these scenes are designed to accustom the public to the sight of troops on the streets. This is under conditions of deepening political discontent and signs of working-class resistance to the dictates of employers, such as last Thursday's walkout by Coles warehouse workers in Melbourne over unsafe conditions.

In an attempt to quell the rising unrest, the national cabinet—the majority of whose members are from the Labor Party—yesterday announced a six-month moratorium on evictions of residential tenants who cannot pay their rents because of the massive layoffs.

Regardless of such stop-gap concessions, the entire social order is increasingly discredited. Millions of working-class households, renters and heavily-indebted mortgage holders face extreme hardship over coming months, while the wealthy benefit from government handouts and seclude themselves in mansions or rural retreats.

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